



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
Luis P. Salaveria, Director
Department of Business, Economic Development and Tourism
before the
House Committee on Economic Development & Business
Tuesday, February 3, 2015
9:00 AM

State Capitol, Conference Room 312

in consideration of
HB775
RELATING TO EDUCATION.

Chair Kawakami and Members of the Committee on Economic Development & Business.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of HB775, appropriating funds to support the department's program to increase international student enrollment in Hawaii, provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

The education and knowledge industry, of which international student attraction is a sector, is a low impact clean industry. In addition to the economic benefits, international students benefit our state by providing global bridges, acclimating our student population and citizens through international education programs in a variety of settings, including public and private secondary schools, colleges, universities and other proprietary academic institutions and research organizations. Hawaii is well positioned to be a competitive destination, especially for the Asian market that places a high value on sending students to a safe and comfortable location like Hawaii.

DBEDT works closely with Study Hawaii, a consortium of twenty educational institutions, to market the state as an excellent location for overseas study and will continue to engage Study Hawaii in its marketing efforts.

Thank you for the opportunity to offer these comments.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Economic Development & Business
Tuesday, February 3, 2015 at 9:00 A.M.
Conference Room 312, State Capitol**

RE: HOUSE BILL 775 RELATING TO EDUCATION

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **strongly supports** HB 775, which appropriates funds to the department of business, economic development, and tourism for marketing Hawaii's higher education institutions to international students.

The Chamber is the largest business organization in Hawaii, representing over 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The higher education is a clean, vibrant industry that is based in Hawaii's knowledge-based industry. It is estimated that it brings in over \$160 million into our state's economy and about \$16 million in tax revenue. This is a desirable industry which can further Hawaii's knowledge-based sector.

This bill is necessary as competition from other states has affected our enrollment. The rest of the U.S. is experiencing 13% growth over the past 3 years while Hawaii's enrollment has declined 11% over the same period. We need this bill to help us grow enrollment and penetrate new markets. Asia will dominate the need for higher education services, which places Hawaii in a unique position to take advantage of this opportunity.

Thank you for the opportunity to testify.

Testimony Presented Before the
House Economic Development and Business Committee

February 3, 2012 at 9:00 am

By

Joel S. Weaver, Vice President

Study Hawaii Educational Consortium



HB 775-RELATING TO EDUCATION. Appropriates funds to the Department of Business, Economic Development, and Tourism for marketing Hawaii's higher education institutions to international students.

Chair Kawakami, Vice Chair Kong, and members of the Economic Development and Business Committee:

Thank you very much for the opportunity to testify regarding House Bill 775. I strongly encourage you to allocate resources to fund the provisions of this bill.

As Director of the University of Hawaii English Language Program (UH-HELP) and Vice President of the Study Hawaii Educational Consortium, I am passionate about raising the profile of Hawaii as a study destination for international students and scholars. **The vision of the institutional members of Study Hawaii is to establish Hawai'i as an international leader in education and training through global links, partnerships, and exchanges.**

Our consortium members share a belief that international education advances learning and scholarship, builds understanding and respect among different peoples, and enhances constructive leadership in the global community. We believe that international education is fundamental to fostering peace, security and well-being. We believe that promotion of inbound and outbound educational travel to and from Hawaii will bring great benefit to the state economically and will contribute to the development of a more globally competent citizenry, one that can lead the world in forging a more innovative, multiculturally agile and sustainable future. As the state that provided the educational foundation for the current occupant of the White House and his parents, Hawai'i is in a position to boast about the quality of education and people that our state can produce!

From the inception of the Study Hawaii group, we have worked closely with the Department of Business, Economic Development, & Tourism to carry out our activities. Some examples of areas in which we have collaborated are:

- Development and translation of marketing materials such as brochures, postcards, and other print media to promote Study Hawaii.
- DBEDT supported Study Hawaii to put on very well-received receptions at the national NAFSA: Association of International Educators conferences in Minneapolis, Washington DC, Los Angeles,

San Diego, and in May this year, Boston.

- DBEDT offices in Beijing and Taiwan assist Study Hawaii by representing us at student fairs, translating our marketing materials into Traditional and Simplified Chinese, and being a “one-stop-shop” for potential students to visit for information.
- Study Hawaii has worked with the DBEDT to sponsor successful “International Education Days” at the state capitol. These are events that allow institutions to invade the 3rd or 4th floors of the capitol building to educate legislators on the myriad interesting International Education efforts that are going on here in Hawaii.
- DBEDT assisted Study Hawaii in developing a strong multilingual website that drives traffic to member institutions.
- DBEDT and Study Hawaii carried out a very successful Education Trade Mission to Taipei and Beijing in October 2014. In addition to engaging potential students and their parents at large fairs, we met with government and institutional representatives and established linkages with important trade organizations in these important markets.

DBEDT has worked collaboratively with Study Hawaii to promote international ed because it shares our understanding of the great economic, intellectual, and social value of in-bound and out-bound educational travel to the state of Hawaii. Despite these excellent efforts, Hawai‘i has been falling behind other destinations. We compete not only with other states in the US, who themselves have active state-funded consortia, but also with Canada, the UK, Australia, New Zealand, and other destinations with well developed higher ed frameworks. These countries all have federal-level support driving their marketing efforts.

Our state is far behind these other locations in earmarking resources to increase recruitment of international students, and our efforts are necessarily hampered by lack of adequate funds to do more. With additional resources, so much more could be done that would further enhance our efforts for the benefit of our community.

According to the Institute of International Education, international students contribute nearly \$27 billion to the U.S. economy through tuition and living expenses. Study Hawaii has worked with DBEDT this year to get an updated count of the economic impact of international students in Hawaii. We have found that the direct impact of international students and scholars to the state is \$186 million, and that it brings in \$26 million in state tax revenues.

Currently we have 10,300 international students studying in Hawaii each year. With just a 10% student increase, or 1000 more students, we can generate \$2.6 million more in tax revenues—an incredible return on a modest investment of \$150,000.

Attracting more international students to the state will never displace Hawai‘i students. Rather, more international students in Hawai‘i will allow for more seats to be provided to in-state students. The higher tuition that international students pay allows for more sections of impacted classes to be offered.

Thank you for the opportunity to testify in strong support of House Bill 775.